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CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

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MEMORANDUM FOR: Deputy to the DCI for Resource Management

25X1 SUBJECT: APEX Program []

25X1 REFERENCE: Memo for Associate Deputy to the DCI for Resource Management from Special Assistant to the DCI dtd 5 Nov 1979, Subject: APEX Resource Implications []

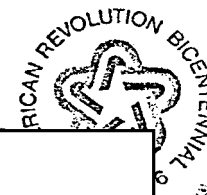
25X1 1. We understand through [] that the DCI has decided to begin implementation of the APEX Program by developing a Communitywide Computer-assisted Compartmentation Control (4C) System. We are informed that the DCI plans to begin development of the 4C System in 1980 by a \$1.5 million reprogramming action with the funds required to complete the system to be included in the 1981 Program. Mr. [] requested that we prepare and forward to RMS a funding proposal for this purpose. []

25X1

25X1 2. Consistent with the foregoing, we have prepared a decision package (attached) which describes the proposed system and includes resource requirements. For convenience in considering this program as a total package, we have also included positions required for the central DCI staff to oversee and monitor the conversion to APEX. The attached package was compiled quickly and while the cost data is based on a detailed study made earlier under the auspices of the DCI Security Committee, the cost figures are estimative and could change as the requirements are refined and an implementation schedule is developed. The total cost included in the attached package is consistent with the higher estimate reflected in paragraph 2 of the Reference. []

25X1 3. While we fully support and agree with the merits of proceeding with the APEX Program, we are concerned about the proposed funding in 1980, the timing of this effort, and the possible need to discuss our plans with OMB and/or the Congress. []

25X1 4. There is some doubt in our mind whether we can reprogram 1980 funds for this purpose without obtaining Congressional approval. The reprogramming guidelines are not clear, and we would need a legal opinion on whether the amounts involved require Congressional approval. However,



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there are guidelines other than those dealing with funding levels which could be involved. Specifically, we are obligated to obtain Congressional approval of reprogrammings involving activities known to be of special interest to our oversight committees. The 4C System could be viewed as the development of a significant ADP system, and it relates to security--a subject of considerable interest to the Congress because of recent events in this arena. On both counts, ADP and security, we might be well advised to discuss any plans for reprogramming with our committees even if the funding level involved does not require Congressional approval. [REDACTED]

5. In addition, we are concerned that there may not be time to complete all of the detailed preliminary work necessary preparatory to issuing an RFP and the subsequent award of a contract prior to the end of 1980, even if we begin immediately. The schedule included in the Security Committee study provides 14 months for the activities necessary for contract award. While much of this work in terms of systems definition and requirements has already been done, the earlier work will have to be reviewed and updated. This would argue for funding in 1981 and beyond. [REDACTED]

6. Finally, as you know, 1980 will be a tight year for CIA, and we are already faced with several substantial unfunded requirements which will have to be met by reprogramming (e.g., [REDACTED]). Also, we understand that the Agency will be expected to absorb 40 percent of the October 1979 Pay Act costs. To now add the additional requirement to come up with a portion (if not all) of the \$1.5 million needed to begin funding of the 4C System further compounds a difficult resource problem and causes us serious concern. [REDACTED]

7. In sum, while we fully understand and support the DCI's desire to get on with the APEX Program as soon as possible, there may be compelling reasons to defer funding the 4C System until 1981. The proposed schedule needs to be carefully reviewed and a proper funding profile developed to determine how the funds should be distributed over several fiscal years. Possibly the DCI's present plan as noted in paragraph 1 above should be slipped a year with funding in 1981 and 1982, or alternatively the system could be funded in total in 1981. Meanwhile, pending advice on your views and a final decision on funding, we have initiated action to review and update the earlier 4C study in order to expedite placing the system under contract in 1980 if this is the course of action to be taken. [REDACTED]

Maurice Lipton
Comptroller

Attachment:
As stated

cc: DDA

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5. In addition, there is some doubt in our mind whether we can reprogram 1980 funds for this purpose without obtaining Congressional approval. While the amount involved for 1980 is well within existing reprogramming guidelines, there are guidelines other than those dealing with funding levels which could be involved. Specifically, we are obligated to obtain Congressional approval of reprogrammings involving activities known to be of special interest to our oversight committees. The 4C System could be viewed as the development of a significant ADP system and it relates to security--a subject of considerable interest to the Congress because of recent events in this arena. On both counts, ADP and security, we might be well advised to discuss any plans for reprogramming with our committees. This is particularly true given the 1981 follow-up costs.

25X1

6. Finally, we are concerned that there may not be time to complete all of the detailed preliminary work necessary preparatory to issuing an RFP and the subsequent award of a contract prior to the end of 1980, even if we begin immediately. While much of the preliminary work in terms of systems definition and requirements has already been done, the earlier work will have to be reviewed and updated. There is also a risk that additional funds required in 1981 would not be

approved and we would be unable to complete the system. This risk factor would argue for funding in 1981 and beyond, as a minimum, advance consultation with the Congress before proceeding in 1980.

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7. In sum, while we fully understand and support the DCI's desire to get on with the APEX Program as soon as possible, there may be compelling reasons to defer funding the 4C System until 1981. As the systems design phase will be accomplished within existing CIA manpower resources, it will be difficult to spend the \$1.5 million in 1980. The proposed schedule needs to be carefully reviewed and a proper funding profile developed to determine how the funds should be distributed over several fiscal years. The DCI's present plan as noted in Paragraph 1 above should be slipped a year with funding in 1981 and 1982, or alternatively should be funded in total in 1981. Meanwhile, pending advice on your views and a final decision on funding, we have initiated action to review and update the earlier 4C study in order to expedite placing the system under contract in 1980 if this is the course of action to be taken.

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Maurice Lipton
Comptroller